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FISCAL IMPACT STATEMENT

LS 6685

BILL NUMBER: HB 1177

NOTE PREPARED: Dec 30, 2011

BILL AMENDED:

SUBJECT: Disannexation from School Corporation.

FIRST AUTHOR: Rep. Goodin

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill creates a process by which residents of a part of a school corporation may elect to disannex from that corporation and either annex to another school corporation or establish a new school corporation. It also makes conforming changes.

Effective Date: July 1, 2012.

Explanation of State Expenditures: The impact on the state would depend on the tuition support funding per student of the relinquishing school corporation and the acquiring or new school corporation. If the funding per student is less in the acquiring or new school corporation, then there would be a reduction in state expenditures, and if it was more, then there would be an increase in state expenditures. The increase or decrease would probably be minor.

Background: The maximum state tuition support distribution for CY 2013 is about \$6.3 B or \$6,344 per student. The tuition support per student ranges from \$4,829 and \$8,282.

Explanation of State Revenues:

Explanation of Local Expenditures: The bill would allow residents of a school corporation to leave their current school corporation and either join another school corporation with the acquiring school corporation or create a new school corporation. The disannexation could be initiated by three methods:

1. If 55% of the registered voters in the area to be disannexed sign a petition in favor of disannexation then the disannexation is approved.

2. If either a majority of households with school-age children sign a petition in favor of disannexation, or
3. 10% of registered voters sign a petition in favor of disannexation, then the question of disannexation is placed on the ballot.

To utilize the disannexation process the territory must have at least 270 students in Grades 9-12 or 1,000 students in Grades 1-12, and an assessed valuation per student of at least \$5,000.

The relinquishing school corporation would have reduced expenditures since there are fewer students to be educated and some of the debt would transfer to the acquiring or new school corporation. The amount of the impact would depend on the school corporation and is unknown.

The impact would also depend on whether the question was placed on a ballot at a general, primary, or special election. If it is at a general or primary election the increased cost to the county is probably minor. The cost of a special election would depend on the number of polling places that might be required.

Background: When special elections occur, the largest expenditures are ballot printing costs (in counties with optical scan systems) and precinct election board expenditures. The following table shows the precinct election officers as provided by law. The table also includes the average pay per election by each office.

Type of Officer	Number	Average Pay Per Election*
Inspector	1	\$129
Judge	2	\$97
Poll Clerk	2	\$94
Sheriff**	2	\$106
Asst. Poll Clerk**	2	\$94
*Based on a survey of all counties with 57 responding. **May be eliminated by resolution of entire county election board.		

Many counties are not able to fill every position and several do not have assistant poll clerks. Additionally, counties may by resolution of the entire election board, discontinue sheriff and poll clerk appointments. Very few counties in the survey had assistant poll clerks or sheriffs.

Explanation of Local Revenues: The relinquishing school corporation would lose revenue and the acquiring or new school corporation would have increased revenue. The amount of the shift would depend on the number of students and the funding per student of the schools. The shift is unknown and dependent on local action.

State Agencies Affected: Department of Education.

Local Agencies Affected: Local schools; County clerks.

Information Sources: School Formula Simulations; 2011 LSA county survey on precinct election officer

per diem.

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